

HOUSE BILL 3243  
By Stulce

AN ACT to amend Tennessee Code Annotated, Title 33 and Title 71, relative to regional health institutes.

WHEREAS, there are now only two facilities providing inpatient treatment to adult severely and persistently mentally ill patients in the twenty-three (23) Tennessee counties served by Moccasin Bend Mental Health Institute; and

WHEREAS, the only facility in this region other than Moccasin Bend Mental Health Institute providing adult inpatient treatment to adult severely and persistently mentally ill patients is a for-profit facility owned by one of the owners of the behavioral health organization that manages that region; and

WHEREAS, this structure creates a conflict of interest that encourages assignment of the sickest populations to Moccasin Bend Mental Health Institute and maximum utilization of private for-profit health care providers for those who are less ill; and

WHEREAS, the designated procedures for billing the behavioral health organizations for services provided by the regional mental health institutes are spelled out in the TennCare Partners Providers Agreement and approximately six million dollars (\$6,000,000) of billings for services provided by Moccasin Bend Mental Health Institute to the BHOs (Premier Behavioral Health and Tennessee Behavioral Health) remain unpaid; and

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WHEREAS, admissions, patient census and average length of stay have not diminished during the first fifteen (15) months of the TennCare Partners program; and

WHEREAS, notwithstanding the consistency of the patient census, budget cuts have forced a reduction in staff that have placed the Institute in jeopardy of retaining its accreditation; now, therefore,

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. For a period of two (2) years after the effective date of this act, the department of mental health and mental retardation or its successor shall take monthly payments of state funds to Moccasin Bend Mental Health Institute and the other regional mental health institutes, when added to the TennCare/third party payments and reimbursements and all other institute income, sufficient for each institute to meet all budgeted expenses, specifically including sufficient payroll, to maintain staffing levels (and patient/staff ratios) as required by the joint commission on the accreditation of hospitals for maintaining continued accreditation. The state shall thereby satisfy the department of justice consent decree and maintain established standards of care.

SECTION 2. The department of mental health and mental retardation or its successor shall review the amount of such payments every ninety (90) days, and adjust the payments in accordance with the average daily census of each institute for the preceding ninety (90) day period.

SECTION 3. Beginning immediately after the effective date of this act, the department of mental health and mental retardation or its successor shall take those steps reasonably necessary to eliminate all restrictions on marketing, purchasing, programs, services provided, personnel and information systems now imposed on the regional mental health institutes in order to afford the institutes the autonomy and freedom of operation necessary to compete fairly with private care providers as contemplated under the TennCare Program.

SECTION 4. The department of mental health and mental retardation shall engage the services of a consultant, the selection of which shall be agreeable to the Advisory Board of Moccasin Bend Mental Health Institute, to conduct a feasibility study with respect to the conversion of the Institute to a non-state agency whose study shall include, but not be limited to, at least the following:

(1) The market for inpatient and outpatient mental health services in the twenty-three (23) counties served by the Institute and in the states that border any counties said region and the percentage of that market that would be indigent and private pay;

(2) The feasibility of annual funding from private and public sources within the twenty-three (23) county regions served by the institute and the border states;

(3) The need for mental health services among the indigent and persistently and severely mentally ill population in the twenty-three (23) county regions served by the Institute.

(4) The consultant shall be retained no later than July 1, 1998 and shall report to the department of mental health and mental retardation or its successor no later than January 1, 1999.

SECTION 5. This act shall take effect on becoming a law, the public welfare requiring it.